

THE MAKING COLLEGE MORE AFFORDABLE ACT

	Current System	Cicilline Reform Plan
Payment Process	Borrowers responsible for submitting monthly payments, including written requests for deferment or forbearance.	Monthly payments automatically deducted from pre-tax income with no additional documentation required.
Monthly Payments	Borrowers pay 10-20% of discretionary after-tax income.	Borrowers pay 4% of pre-tax income under \$100,000. Payments increase to 5% per year when income reaches \$100,000, and an additional 1% for each \$10,000 increase. Payment cannot exceed 10% of income for borrowers earning \$150,000 or more per year.
Interest	Interest accrues on a daily basis, regardless of whether a loan is in repayment, deferment or forbearance.	Zero interest.* <small>*Interest only accrues during periods of deferment or forbearance.</small>
Income Threshold	No payment due if adjusted gross income is at or below 150 percent of the poverty line (currently \$17,800 for an individual).	No payment due if income is below roughly 336.7% of the federal poverty line (currently \$40,000 for an individual).
Length of Loan	10-25 years.	30 years.